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of the accuracy of De Moivre, he conceived the error to be his own rather than that of so eminent a mathematician, and in consequence puzzled himself so much in the correction of it, that the colour of his hair, which was naturally black, became changed in different parts of his head into spots of perfect white. All this must have arisen from his usual diffidence in his own abilities; for no other cause can be assigned for his doubts and difficulties in a case which really admitted of none."—(Memoirs of the Life of the Rev. Richard Price, D.D., F.R.S. By William Morgan, F.R.S.)

*Competition in Fire Insurance.*—"The competition which causes the low rates brings *bad risks* and *doubtful customers*, together with a variety of evils, such as *wilful fires*, *lawsuits*, and consequent loss both of money and character, to the officers.

"The civil consequences of competition in this business are apparent to all who have had the adjustment of claims for loss by fire, particularly in the inducement it holds out to evil-disposed and dishonest tradesmen, and others to commit a crime that of late years has been but too common.

"It is an undoubted fact that wilful fire-raising and fraudulent and excessive claims have been more prevalent during the last seven to ten years than in all experience of Insurance Companies anterior to that time. This is evidently one of the greatest evils of competition in this branch of business, which causes each company to be so eager or careful of fame, or, more properly speaking, so fearful of being thought illiberal or litigious by the public, as to induce them rather to submit to be cheated, and made to pay fraudulent claims, than to evince the least indisposition to resist, or to endeavour to make an example much needed. This is a concomitant evil on competition; its influence has been generally felt; and all offices, one time or other, have been obliged (in order to maintain a character for promptness and liberality) to settle claims, where serious misgivings have been felt as to the cause of the fire, and in other cases, where no grounds for suspicion as to the origin of the fire have existed, have had to contend with the most exorbitant and unfair claims."—(Practical Remarks on the present state of Fire Insurance business, &c. By Fred. G. Smith, Esq., 1832.)

*A Plea for Life Assurance.*—"Many men intend to assure, but still they allow year after year to slip away, and the duty unperformed. Lolling in easy comfort in their warm homes, they cannot bring their minds to admit the possibility of their family being destitute. Let such parents—and they are too common—contemplate for one moment on what a precipice their offspring rests; hanging by the slender thread of life of him to whom they owe their own existence—a life which no sooner ceases than the brittle fabric on which they stood dissolves and leaves them beggars. Think for one moment of such a fate for those you have nurtured; rather bring them up in penury and want—inure them to all the privations which poverty brings in its train—rear them on coarse and humble fare—teach them from infancy to toil for daily bread, and then, when you are gone, the change will not be great; but do not make the luxuries of life necessities and then rudely deprive them of them. Let no man, therefore, rest till he has done this act of duty, called upon imperatively to perform by all the laws of God. Let him rouse his heart to a full sense of the fatal error he is labouring under; let him use every means in his power to make this provision *now*, so that he may be enabled to lay his head upon his pillow each night in the knowledge that, should he never see another sun, he has conferred a great boon upon his family, by leaving behind him the means of placing them at least beyond the reach of want." (A Plea for Life Assurance. By James Wyllie Guild, A.I.A., Accountant in Glasgow. Glasgow, 1850.)

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## REPORTS OF ASSURANCE COMPANIES.

In presenting to the readers of the *Assurance Magazine* the following condensed Reports of the various Assurance Companies, which have already appeared in the *Post Magazine* and other Public Journals, our only object has been to select the facts which represent the progress of

the Companies or of Life Assurance in general in Great Britain. We have therefore only given such statements as were made in the Reports themselves, or, in reply to the questions of proprietors, by the Chairman or other official authorities. We have commenced the Reports from the end of August 1849, and intend in the following number to continue them to the end of August 1850, so that an entire year of the business of Assurance will be brought before the notice of the reader, as far as publicity is given to the affairs of these great Institutions. It is much to be desired that some of the older or the Proprietary Companies, which have not hitherto given their general summary, would add to the information here contained; a full collection of which would show the progress of the people in one of the most important points of political economy, viz., the number and the proportion in which they are, with a careful forethought and prudence, providing for their families, and preserving them from those sudden reverses and calamities which these valuable institutions are so useful to avert.

*Ægis Life Assurance Company.*—First Annual Meeting, March, 1850. The Company's Deed of Settlement was completely registered in the month of December, 1848, and shortly afterward a payment of 10s. per share was called for, to meet the preliminary and working expenses. In April, 1849, the Directors commenced business by issuing policies of Assurance on Life, and, from that time to the 31st December last, the Company received 113 proposals for assuring £65,039, of which, 42 were rejected, and 68 accepted and completed. The large proportion of rejected proposals arises from the caution which the Directors deemed it proper to exercise in a year distinguished by the fearful visitation of cholera. These 68 proposals assure in the aggregate the sum of £35,380, at annual premiums amounting to £1,200 16s. 7d., and each policy averages £520. The 68 policies include 7 in connection with loans by the Company to the assured. Not a single policy has become a claim by the death of an assured.

An arrangement made with the Union Fire and Life Office, has been carried into effect, by the introduction to that office through the agency of this Company of 239 Fire Policies during the three quarters of the year, insuring property to the extent of £280,260, the commission on which amounts to £57 6s. 6d.

The Balance Sheet showed that the Receipts had been from deposits on shares, £1,145; premiums, £1,258 3s. 1d.; cash received for investment, £1,586 16s. 8d.; office fees and property tax, £6 16s. 3d.; making a total of £3,996 16s.; which is thus disposed of—preliminary expenses, £975 8s. 2d.; expenses of the last year, £985 7s. 11d.; advanced on loans, £835; cash at bankers, and petty cash, £623 19s. 2d.; value of furniture, &c., £415 10s. 2d.; policy stamps, and premiums unpaid, £161 10s. 7d.; making the sum total, £3996 16s.

It was resolved, as soon as the legal forms could be complied with, to increase the Directors from 12 to 14. A dividend at the rate of 5 per cent. per annum, free of Income Tax, was declared. The sum of 484 guineas was awarded to the Directors, being 1 guinea for each attendance since the formation of the Company, and 10 guineas to the Auditors.

*Alfred Life Assurance Society.*—Annual Meeting, held August, 1850. The accounts exhibit an increase of the Assurance Fund, during the past year, of £15,704, making a total of £84,104 9s. 3d., being a considerable increase on the amount carried in the previous year.

The premiums on new policies issued during the year amount to £3,478 9s. 2d.

The claims that have accrued during the year, (including the bonuses,) amount to £2,416 19s. 9d.

The income of the office now amounts to £24,213 2s. 9d.

The following is an abstract of the Balance Sheet :—

LIABILITIES.			ASSETS.		
	£	s. d.		£	s. d.
Value of sums assured .....	176,800	13 8	Value of Premiums .....	188,146	10 11
Paid-up capital .....	16,800	0 0	Government securities .....	40,983	5 1
Assurance fund .....	84,104	9 3	Mortgages .....	34,331	18 1
Annuity fund .....	19,712	19 4	Reversions .....	13,346	0 8
Building fund .....	8,220	0 0	House in Lothbury .....	13,400	0 0
Stretton Friendly Society .....	1,218	1 4	Railway debentures .....	8,705	0 0
Interest due to Proprietors .....	417	0 0	Value of re-assurances .....	5,198	15 9
Assurance claims .....	1,225	9 9	Balance at Bankers .....	2,922	14 9
			Premiums due .....	1,006	1 5
			Sundry accounts .....	458	6 8
	308,498	13 4		308,498	13 4

A resolution was agreed to explaining or amending the rule of the association " which authorises the advance on the security of a Policy of Assurance, of the whole amount of the sum assured, if satisfactory security be at the same time given for the payment of the future premiums upon such policy, and the interest of the money advanced, so as to allow of the acceptance of the bond or covenant of the borrowers, and of one or more surety or sureties, as a satisfactory security for the payments aforesaid." The Directors not being sure, whether they possessed the power of lending money on personal security under the Deed of Settlement, as it at present stood.

In reply to the question of a member, the Chairman believed that he might say on the part of the board, that it was the most anxious wish of the Directors to convert the office into a Mutual Society. They considered, however, that next year, being the period when the second quinquennial division of profits would take place, would, under all the circumstances, be better suited for making the alteration than at present.

*Alliance Marine Assurance Company.*—Annual General Court of Proprietors held January, 1850.—The usual dividend of 6 per cent. or 30s. per consolidated share was declared for the ensuing year, one moiety of which would be payable on or after the 17th January, and the other on or after the 11th July next. The Report also stated that the balance in hand and the general state of the accounts would justify an additional payment to the Proprietors by way of bonus, to the extent of 30s. per consolidated share, to be made payable with the first moiety of the yearly dividend. The Directors recommended an alteration of the 51st section of the Deed of Settlement so as to enable them to appoint agencies under such limitations and restrictions as they might think necessary.

*Atlas.*—The 42nd Annual General Court of Proprietors holden July, 1850.—The Directors draw the attention of the Proprietors to the circumstance that the first period of five years for the declaration of a bonus on the Life Policies of the Company conformably with the new regulations made in 1848, by which quinquennial were substituted for septennial divisions, expired at Christmas, 1849, to which last mentioned period the valuation of the liabilities and assets was made up.

The Total Life Surplus or Profits for Great Britain and Ireland together, for the 7 years up to Christmas, 1844, amounted to . . . . . £262,472 14 8  
While a like Surplus for the shorter term of 5 years just ended, amounts to nearly as much, namely, to . . . . . £246,995 6 2  
The surplus in each case being actually realized and not anticipatory.

Of the surplus up to Christmas last, the Directors have appropriated to the Life Policies in Great Britain and Ireland, respectively the sum of £193,364 14s. 11d., retaining £53,630 11s. 3d. as a cautionary reserve, kept back to be improved at compound interest, for the exclusive benefit of the policy holders.

The following facts are given for the information of the Proprietors. The accumulated funds from Life Premiums alone, now amount to . . . . . £1,353,436 6 6

The annual income of the Life Branch, exceeds . . . . . 170,000 0 0

The progress of the Company will be exhibited by stating that when the bonus system was adopted by the Directors in 1816, the accumulated premiums amounted to no more than £69,349 1s. 4d., while as before mentioned they now exceed £1,353,436, and that the annual income of this branch, which in 1816 was about £22,674, has now increased to upwards of £170,000.

The addition to the new policies issued within the last 5 years varying with the age of the parties, has been, for Great Britain, on the average nearly two per cent. per annum on the sum assured; but much larger on Policies which have been in force from 1816.

The premiums on new Life Policies have been greater in amount for the last than in many preceding years.

*British Empire Mutual Fire Assurance Company.*—Annual Meeting, held 30th August, 1849. The total number of Policies completed up to Midsummer, 1849, was 1,557 for £659,080, upon which the premiums amounted to £988 14s. 8d. In addition to this, 168 proposals for £60,894 had also been received, which then remained to be disposed of.

A large and influential agency, consisting of 195 agents, had been established throughout the country.

The total formation expenses of every kind, including those of the above agents' outfits, costs of Deed of Settlement, &c. only amounted to £617 3s. 10d., though it will be found that the ordinary formatory expense of opening a Fire Office, exceeds five times that amount.

The total losses to the end of the first year, amounted only to £57 6s. 6d. for six fires, being less than 6 per cent. on the premiums received.

*British Empire Mutual Life Assurance Company.*—Meeting held 26th February, 1850.—Third Annual Report for the year ending 31st December, 1849.—The following statement shows the progress of the Company during the three years of its existence.

	General Life.	Amount.	Investment Assurances.	Amount.
		£		£
1847 Policies effected ....	266	49,918	192	13,566
1848       "       ....	318	47,059	523	30,706
1849       "       ....	721	108,122	450	26,253
Total in 3 years....	1,305	205,099	1,165	70,525

The balance of the money advanced on the formation of the Company has been paid out of the premiums received, and the Company is now freed from all liabilities except the amounts assured by the Policies issued. The income from premiums amounts to £9,884 16s. 1d. per annum. The Company has already realized a capital of £9,240 16s. 10d., a large portion of which is invested in advance to the members on various securities.

Notwithstanding the prevalence of the recent epidemic, the claims by death have been only £1,091 during the three years, being far below the amount estimated by its Tables.

*Catholic Law and General Life Assurance Company.*—Fourth Annual Meeting, held on Thursday, 25th July, 1850.

The report stated that only two deaths had occurred in the last two years, one for £500, and the other for £200; both were Irish lives. The number of lives assured between 1st June, 1849, and 31st May, 1850, was equal to double the number assured during the similar preceding period. In the years 1849 and 1850, proposals were made for 138 policies, the united amounts of which were £52,963 2s. 6d; of these, 123 were accepted for £45,125 6s. Independently of the two policies lapsed by death, 16 others have fallen in during the year, representing a sum of £6,048, and upon which £320 3s. had been received. Since the commencement of the Company's operations, to the 1st June, 1850, Assurances had been effected to the extent of £110,972 12s. 6d., producing in annual premiums, £3,732 16s. 11d.; but of these, 54 had lapsed, representing £23,990 16s. 6d., on which the annual premiums amounted to £741 1s.; so that the yearly income of the Society, on the 1st of June last, was £2,991 15s. 11d. The report also stated that judicious and energetic measures had been adopted to extend the business of the Company in France, and that under the favour of the Archbishop of Paris, and other ecclesiastical authorities, numerous priests had promised and given them their support,—that in the limited space of four months, various prospectuses, a complete set of tables, books of instructions, &c., had been translated or written, published, and circulated, and that every great town and city, and every place of note in the various Departments of France, has now an agent of the Company, and that in addition, they have four French travelling agents constantly traversing that great kingdom.

At an Extraordinary General Meeting in August last, it was resolved that the nominal capital should be reduced from £1,000,000 to £200,000, and the number of shares from 50,000 to 10,000; of the latter number only 1,320 remained unallotted previous to the Directors circular to the Shareholders on the 10th June, inviting them to take additional Shares. Since then 202 shares have been allotted, leaving only 1,118 shares to be disposed of.

A resolution was carried "that it is the opinion of this Meeting that the paid up Capital of the Company be increased, and that the Directors be requested to take into consideration the mode of effecting the same."

*Church of England Life and Fire Association.*—Annual General Meeting held 14th June, 1850. It appeared from the report, that the new Life Policies issued in 1849, exceeded those issued in any one year since the formation of the Society, and that the claims were much less than expected.

In the Fire Department the losses did not exceed one third of the receipts.

*City of London Life Assurance Company.*—Annual Meeting, January, 1850. It appears from the report, that the number of new policies issued, from the 1st November, 1848, to 31st October, 1849, was 148, assuring the sum of £66,097 11s. 2d., and producing an additional income of £2,263 9s. 3d.; there had also been 31 proposals for assuring the sum of £16,102, declined. The total number of policies in force, on 31st October last, was 597, assuring a sum of £209,729 2s. 10d., and producing (after deducting the premiums upon all lapsed policies) an annual income of £7,766 14s. 1d. To these had been since added 16 policies, assuring £5,747, and increasing the annual income to £7,998 2s. 10d. On the termination of the third year, it was announced that one claim by death for £500 had become payable. During the past year, one claim for £1,000 only had occurred from death by cholera. The report stated that the Directors had taken additional offices in Waterloo Place, Pall Mall.

The Balance Sheet showed Receipts under various heads . . . . .	£20,844 10 4
Per Contra, Charges of Management, Incidental Expenses, Dividends paid to Proprietors, &c. . . . .	6,037 19 10

Balance Amount on Mortgage Exchequer Bills, &c., Cash at Bankers, Short Bills, and Cash on hand . . . . . 14,806 10 6

The Chairman explained that the amount paid for Rent, £528 10s., included in this case attendance, lighting, taxes, and coals.

A dividend of 5 per cent. per share was declared, being the same as the last.

*Clerical, Medical, and General Life Assurance Society.*—General Meeting, 7th March, 1850. The Act of Parliament, which received the Royal assent June 1850, authorises some important changes in the regulations of this Company. It is proposed to appropriate £50,000, out of the present Reserve Fund of £51,500, as a permanent security for the Proprietors and the Assured, the interest

of which will be annually added to the profits of the Society, and divisible amongst those entitled to share therein. Five-sixths of the profits will in future be divided amongst the assured, instead of three-sixths, as before, and the two-sixths which were formerly added to the Reserve Fund, will, under the Act, be distributed amongst the Assured. The Consolidated Fund has now reached the large amount of £746,756, from £695,155 in the previous year, being an increase of £51,501 within the past year, ending June, 1849, compared with £38,340 in the preceding year. This amount of the Fund is independent of the paid-up Capital belonging to the Proprietors. The two first divisions of Bonus averaged 22 per cent. on the premiums paid; the third 28 per cent.; and the fourth, declared January, 1847, rather more than 36 per cent.

*Colonial Life Assurance Company.*—Annual Meeting, November, 1849. In the Report by the Directors it was stated, that during the year 25th May, 1848, to 25th May, 1849, 205 new Policies have been issued, assuring sums to the amount of £129,938 15s. yielding annual premiums to the amount of £4,635 10s. 9d.

The whole amount of assurances offered to the Company from November, 1846, when the first Policy was issued, till 25th May, 1849, is £505,855 3s. and of this amount, after deducting proposals rejected, and assurances forfeited, there was in force at the date of Balance, the sum of £353,476 9s. yielding annual premiums to the amount of £14,279 9s. 6d.

The amount of claims since the establishment of the Company is £2,070 15s. 3d.

The Chairman stated that assurances for £100,000 had been declined by the Company.

*Eagle Assurance Company.*—Annual General Meeting. The Directors laid before the Meeting the Report from the Auditor as follows:—

Account of Receipts and Disbursements for the year ending 30th June, 1850.

INCOME OF THE YEAR.			CHARGE OF THE YEAR.		
	£	s. d.		£	s. d.
New Premiums received .....	5,557	6 1	Dividends to Proprietors .....	6,118	5 0
Old " .....	91,940	16 9	1 per cent. extra ..	158	11 0
Total .....	97,498	2 10			6,276 16 0
Annuities and Interest on			Claims on decease		
Mortgages .....	15,069	7 6	of lives assured 70,644	13 1	
Dividends on funded property ..	10,233	6 7	Bonus thereon ....	4,608	1 8
Sundries .....	128	9 1	Policies surrendered 3,350	10 3	
			Annuities granted ..	1,702	18 10
					80,306 3 10
			Commission .....	3,335	16 9
			Medical fees .....	393	3 0
					3,728 19 9
			Income tax .....		808 16 6
			Reassurance .....		2,781 14 2
			Expenses of Management ....		5,326 9 4
			Sundries .....		191 15 6
			Balance or surplus receipts ..		23,508 10 11
	122,929	6 0			122,929 6 0



## Statement of Liabilities and Assets.

LIABILITIES.			ASSETS.		
	£	s. d.		£	s. d.
Interest, &c. due to Proprietors	4,517	19 9	Amount invested on Mortgage and Life Interests	312,540	17 0
Sundry accounts	430	3 10	Do. in Reversions	11,194	11 0
Paid capital account	121,572	15 0	Sundry accounts	3,707	1 6
Assurance Fund	551,120	11 1	3 per Cent. Consols	74,336	0 1
	672,693	6 1	3 per Cent. Reduced Annuities.	70,039	1 11
			3½ per Cent. Do.	151,261	0 9
			Consolidated Long Annuities	9,014	15 11
			Cash and Bills receivable	12,174	3 2
			Advanced on the Company's Policies	20,700	17 9
			Stamps	59	17 6
			Agents' balances	9,613	3 1
	677,641	9 8		£ 677,641	9 8

The premiums received for new Assurances are somewhat less than in the preceding year, the lives assured being younger, and the number of term policies greater, but the amount assured is higher in the present year. In the year ending June, 1849, 266 Policies, averaging £624 each, were effected; in 1850, 262 Policies, averaging £656 each.

The sum paid for claims considerably exceeds that for the preceding year, in some measure owing to the prevalence of cholera, 8 deaths having been reported by that disease, but the average amount assured by each was only £370. The average annual amount of claims paid in the three years, since the last division of Surplus in 1847, is £57,571.

In the last Report the Directors stated the expenses to be £400 less than they were the year preceding. They now report a further diminution of £546, making a reduction of £946 in the two years.

The General Fund has this year been increased by £23,508 10s. 11d., and it now amounts to £551,120 11s. 1d.

The Chairman stated that when the Proprietors last met, they were informed that the last two years' business was more than double the separate transactions of the Eagle Company in the two years previous to the amalgamation, and the business of the present year has progressed in the same manner, and that, with regard to the expenses, whereas formerly those of the Eagle were about 8 per cent. and those of the Protector not far from 12 per cent. on the premiums received, the rate was now reduced to little more than 5 per cent. in consequence of the amalgamation.

*Edinburgh Life Assurance Company.*—Twenty-sixth Annual General Meeting, held 11th December, 1849, being the third Periodical Declaration of a Bonus to the Policy holders.—The Report for the year ending 31st August, 1849, was read, showing that the new business of the last year was larger than in the two preceding years, both in the number of new Policies and in the amount of premiums thereon. The bonus now proposed considerably exceeded the amount declared at the previous investigation; on Policies effected at the commencement of the Company, the Bonus ranged from 2 to 8 per cent. per annum for the last seven years on the sums assured, and in two of the instances specified, the total bonus exceeded in amount the sum originally assured.

A Resolution was agreed to, authorizing the Directors to appropriate during the interval between the investigation, to policies of more than five years' duration, becoming claims in the intermediate period, a certain annual bonus, not to exceed three-fourths of the rate fixed at the last previous septennial investigation.

A Resolution was also agreed to, that in future nine-tenths of the divisible profits should be allotted to the assured, in the place of four-fifths, as at present.

Resolutions, relative to fixing the amount of the Proprietors' Guarantee Fund, and also others relative to a proposed reduction in the number of ordinary directors, and increasing the amount of their remuneration, were also submitted and agreed to, subject to confirmation at an Extraordinary Meeting, on the 2nd January, 1850.

*Engineers' Masonic and Universal Mutual Life Assurance Society.* Second Annual Meeting, March, 1850. During the year 1849, 748 proposals for assurance, to the amount of £192,030, have been submitted to the Board, 60 of which have been declined, 45 stood over for further consideration or completion, and 643 Policies, securing the sum of £165,270, and producing premiums to the amount of £5,047 2s. 4d., have been completed.

The total number of Policies completed to 31st December, was 851.

The annual income derivable from premiums, £7,113 5s. 11d.

Only 7 claims from death to the amount of £1,250 have arisen.

Statement of Policies completed.

	1848.	1849.	Total.
£2000 and upwards. ....	0	5	5
1000 and under £2000 .....	23	33	56
500 " 1000.....	30	78	108
200 " 500.....	70	198	268
100 " 200.....	78	248	326
Under 100.....	7	81	88
	208	643	851 on 815 Lives.

*English Widow's Fund, and General Life Assurance Association.* Second Annual Meeting, February, 1850. From the Report it appears that during the year, 195 Policies representing Assurances amounting to £50,576 14s. and producing an annual income of £1,692 19s. 1d., have been issued, exceeding the total amount assured in the previous twelve months by £11,894 5s. 0d.

From the commencement of the Association, 363 Policies, covering assurances amounting to £89,259 3s. have been granted. The gross annual premiums thereon being £2,914 3s. 6d.

Three claims have arisen from the decease of Policy holders.

Interest at 5 per cent. per annum on the paid up capital to the 31st December last, will be payable to the shareholders from and after the 1st February.

*Equitable Society.*—From the interest and importance of the statements made by Mr. Morgan, in the address delivered at the General

Court holden in December, 1849, for the decennial Division of Profits in this Society, it would no doubt be gratifying to our readers if the whole of it could be given. It would serve to show the progress of a Society of such consequence in the history of Life Assurance; but the want of space will only allow of the following extracts, in which the principal facts are contained, and of the insertion of the Balance Sheet of the Liabilities and Assets, on 1 Nov., 1849, and the Cash Account for the Year 1849:—

“It appears from the accounts now laid before the General Court, that a further addition of one per cent. to the sums assured in all the Policies entitled to additions on the 1st of January next, will amount to £1,398,098; and owing principally to the advanced age of the Members assured before the year 1817, will require £1,056,686 to provide for it, being after the rate of £75 12s. for every hundred pounds added, and answering to a mean age of 68 years.

In 1839 the amount of a similar addition was £1,637,864, and its value £1,187,554, or after the rate of £68 4s. only for every £100 added, the mean age being then 60 years; this increase of 8 years in the average age at which the present additions are valued, arises on the Policies dated before 1817, in which the average age of the lives assured exceeds 70 years, whilst the average age of the lives assured in the remaining 5,000 Policies does not exceed 55 years.

The rate of the addition (£2 per cent.) will indeed be less on the present than on either of the three preceding divisions of profit; but it will be seen that the amount added to the Policy of every Member assured with the Society before the year 1817, with a very few exceptions, exceeds, and in many cases exceeds considerably, the addition made in any previous division; I may well, therefore, I think, repeat to such of those Members as now survive, the congratulations on the present, which the Actuary has had the pleasure of offering them on many previous occasions of this kind.”

\* \* \* \* \*

“A large proportion of the surplus in 1800 and in 1810 had been produced by the accumulating residue of the Surplus left on preceding divisions; and it was clear the same would again appear to have been the case in the then approaching investigation of 1819. The Society was possessed in 1816 of near six millions and a half of stock, and had half a million sterling laid out on mortgage at 5 per cent., with a large Surplus Annual Revenue to accumulate for many succeeding years, irrespective of any additional income it might derive from new Assurances. A large portion of the advantage therefore since derived from the increased value of the Funded property of the Society would have accrued without the aid of a single new Insurance; in which case these advantages might have been augmented by the appropriation of the whole of the Surplus Stock to the Old Insurers. The benefits therefore which the Insurers, since 1816, have derived under the system then established, cannot, I repeat, be justly compared with those obtained by the older Members, who were previously in the possession of such superior advantages.

But the expectations of new Members, although postponed by the regulations of 1816, were not, as was justly observed on a former

occasion of this kind, "taken away;" the provision remained, that the profits from all sources should be left to accumulate for periods of ten years, and that one-third at least of the surplus should be always reserved for the benefit of future as well as of present Members; and the result, as appears by the accounts now laid before the General Court, is, that notwithstanding the enormous sum paid in Additions in the course of the last thirty years to the families of its deceased Members, the Society now possesses a Capital, larger by upwards of £1,750,000 than it did on the 31st December, 1816—has at this time to apportion among the restricted number of 5,000 a larger surplus than was shared in 1819—20, among more than 8,500 Policies, and consequently retains a larger reserve for the benefit of the Members assured since 1816, who now take a greatly preponderating interest in this large accumulating fund, and in the accumulating profits which are to be divided together with it at the end of the ensuing decennial period. I may truly say a "preponderating" "present Interest,"—for of the 1676 Assurances dated before the 1st of January, 1817, now remaining in force,

8	.....	are on Lives above 90
954	.....	between 70 and 90
579	.....	„ 60 and 70
114	.....	„ 50 and 60
21	.....	„ 40 and 50

#### 1676

Of these, if reduced by the law of mortality alone, it may be calculated that not a third will remain in force in 1860; nor, if the number of surrendered Policies of this class be in proportion to that of former years, is it probable that more than a fifth of the above number of Assurances will be continued to partake of another decennial division; in either case the amount absorbed in an addition to these Policies, notwithstanding their long standing and enhanced value, can bear but a small proportion to the sum required for the additions on the remaining number of participating Assurances in 1860. Thus, in addition to the profits already apportioned among them in additions paid and additions assigned on their Policies, equal to more than the actual payment of three quarters of a million, the Members assured since 1816 have under the system established at that period, a reserve now made for their exclusive benefit of a present sum of nearly One Million Sterling, and thus possess an expectancy far greater than has been secured to the members of any other Institution of the same kind which has been established in this kingdom during the last thirty-five years.

And whilst the Members assured before 1817, by an undeviating adherence to their compact with the Members who have since joined the Society, have thus placed the interests of the latter in so commanding a position, the benefits they have themselves realized, are, I believe, altogether unparalleled:—

The aggregate amount of the additions declared:—

	£	£	Per cent.
In 1819 was	3,300,000	on 11,235,507 assured	= 29.37
1829 „	5,036,379	„ 7,826,829 „	= 64.3
1839 „	3,850,295	„ 5,065,948 „	= 76.05

and the additions now proposed amounted to £2,061,596 on £2,627,441 assured in these remaining Policies, being after the rate of £78.40 per cent., making, with the additions on the three former occasions, a total of £14,248,270, added on these Policies since the restriction was imposed in 1816 on the number of Assurances, which should thereafter partake at one and the same time in the appropriation of the Surplus."

\* \* \* \* \*

"The regulations of 1816 left the Society still open to the public to profit by the unquestionable security afforded by its vast Capital and large Reserved Fund, and to partake gradually of the benefits of, and carry on a system productive of such great advantages to the families of their predecessors. Nor have the public neglected to avail themselves of the offer. - And the result has been the formation of a constantly increasing body of new Members; whose aggregate Assurances have amounted to £9,943,294, and whose Policies at this time remain in force for £5,558,500; of which sum £4,326,434, is bearing Retrospective and Prospective additions, and £1,232,070 assured in 1114 outstanding Policies, is rapidly succeeding to that privilege.\* Of this outstanding sum, above a million is on lives under 45 years of age: and these, as well as a large proportion of all the Policies admitted (among the 5000) for several years past, which are on lives still under 50 years of age, will, agreeably to the uniform experience of the decrements of life in this Society for the last 80 years, be large contributors to, as well as large participators of, its surplus for many years to come."

\* \* \* \* \*

"Conducted through a long and eventful period of 86 years with great prudence and the strictest economy, the Equitable Society has received at the hands of its several Members—for Premiums, Extra Premiums, and Entrance Money—the net sum of £19,067,636; and suffering no part to be diverted to any other object than the security and mutual benefit of all its Members, has, by the powerful, long-continued, and uninterrupted operations of compound interest, been enabled to redistribute in the same period, in claims, additions to claims, and purchases of individual interests, the amazing sum of £25,336,637 (of which eight millions nearly have been paid within the last 10 years); to retain at this moment a further sum of £8,800,000 in capital; and to add (retaining a million in reserve) near three millions more to the sums assured in the oldest 5,000 Policies now existing, whereby its present engagements will be augmented on the 1st of January next to upwards of £14,100,000.

\* The amount of the Retrospective additions on the 1st of January next, will be £843,439, of which £734,598 is now to be added. Value £503,330. Amount of Prospective additions would be £86,528 per annum on the £4,326,434, but will necessarily increase as fresh amounts (about £300,000) are added yearly by annual admissions of new Assurances to keep up the constant number of 5000. The sum paid in Prospective additions in the last ten years has been £400,000, which has been a charge on the growing profits, and together with £70,000 paid for the income-tax, has equalled nearly the income derived from the reserve of 1839, taking the 3 per cents. at 90. On a moderate estimate a quarter of a million will be paid for Prospective additions on claims arising out of the Assurances of these new Members in the course of the next 10 years.

It should not be omitted in this statement that the whole expenses of management of every kind have amounted only to £418,236 in the whole period; and that if it had resorted to the modern practice of paying a commission of five per cent. on the premiums as they were received, £953,381 16s. would have been ALIENATED altogether from the funds of the Society; a sum which, with its accumulations at compound interest, would go far to provide for the additions to be made on the present occasion."

Balance Sheet of the Equitable Society on the 1st November, 1849.

Dr.	No. of Policies.	Amount.	Value.	£	s.	d.
To the present value of all the Sums and Annuities assured on the 1st of November, 1849 ....	6,044	{ £8,305,495 } { An. £6,138 }	5,594,158	8	6	
To the present value of all the additions		{ £2,974,614 7 6 } { An. 47 3 6 }	2,320,719	15	0	
To the present value of the several Life Annuities paid by the Society .....			11,515	16	5	
Amount of Claims allowed but unpaid, November 1, 1849..			228,261	10	0	
			8,154,715	9	11	
Surplus .....			3,215,503	14	0	
Two-thirds of the above surplus .....		£2,143,669 2 8				
Present value of a further addition of £2 for payments made prior to January 1, 1850, on the Assurances dated before December 11, 1840, constituting the oldest 5000 Assurances, January 1, 1849		2,113,372 12 0				
			£ 11,370,219	3	11	
<hr/>						
Cr.						
By the value of all the Annual Premiums, amounting to £245,149 1 6 .....			2,512,171	6	0	
By £2,275,000 Stock in the 3 per cent. Consols, at 93 $\frac{3}{4}$ .....			2,129,168	15	0	
By £2,680,000 Stock in the 3 per cent. Reduced Annuities, at 92 $\frac{1}{2}$ .....			2,479,000	0	0	
Cash on Mortgage .....			3,753,346	18	3	
Annual Premiums due in October, November, and December unpaid .....			42,501	15	0	
Interest due on Mortgages .....			25,737	2	3	
Balance at the Bank, October 31, 1849 (which includes the amount of a large Mortgage recently repaid, and not yet invested .....			427,493	7	5	
			£ 11,370,219	3	11	

We append the General Cash Account of the Equitable Society, for the year ending 31st December, 1849.

Dr.	No.	Sums Assured.	Cash Received.	£	s.	d.
Amount of New Assurances..	132	£450 An. £146,150 ...		5,592	18	6
Entrance Money and Policy Money .....				818	0	6
Extra Premiums for Sea and Foreign Risk .....				678	2	0
Annual and Commuted Premiums and Forfeits on Old Assurances .....				246,850	10	0
Dividends on Stock .....				150,000	0	0
Interest on Mortgages .....				165,641	6	1
				569,530	17	1

	£	s.	d.
To Cash re-paid which had been lent on Mortgage.....	372,501	17	0
To the produce of £90,000 Stock sold.....	81,431	5	0
To Balance, 31st December, 1848.....	35,968	19	1
	<hr/>		
	£1,059,482	18	2

	Cr.	Lives.	Policies.			
By claims paid.....	180	230		337,146	4	0
„ Additions to those claims .....				275,669	10	0
„ Annuities to claimants, &c.....				1,887	19	6
„ Income Tax.....				9,198	16	7
„ Stamps.....				679	9	6
„ Returns of Premiums and Forfeits .....				372	7	0
„ Sundry Disbursements, viz. :—						
General Expenses .....			556 10 1			
Ground Rent, Rates, Taxes, &c.....			458 5 3			
Printing and Stationery .....			134 15 5			
Salaries, and Income Tax on do.....			3,417 5 10			
Gratuities pursuant to Order of General Court .....			3,410 0 0			
Directors and Auditors for 1849.....			2,072 18 4			
Law Expenses, Ordinary .....			161 19 10			
Do. on Transfer of 83 Mortgages .....			807 17 4			
				11,019	12	1
„ Cash paid for 24 Surrendered Policies (on 22 Lives).....				6,770	18	6
„ „ for £16,686, Additions Surrendered .....				11,856	17	0
„ „ for Stock and Exchequer Bills purchased.....				203,762	2	5
„ Cash laid out on Mortgages.....				4,000	0	0
„ Balance remaining 31st December, 1849 .....				197,119	1	7
				<hr/>		
				£1,059,482	18	2

*Stock in the Funds :—*

£4,955,000, 3 per cents.

£107,000, 3¼ per cents.

£5,062,000.

£100,000 Exchequer Bills.

£3,753,346 18s. 3d. Cash on Mortgage.

*Equity and Law Life Assurance Society.*—Annual Meeting, March, 1850.—The Report states that during the year ending 31st Dec., 1849, the Directors had received 192 proposals for Assurance; 173 of which they accepted. Of these 149 were completed, assuring £125,483 8s., and yielding, in annual premiums, £3,505 3s. 8d.; while in 1848 there were issued 117 policies, assuring £117,180, and yielding in annual premiums, £3,118 2s. 3d. Since the conclusion of the year, 11 of the proposals previously accepted have been completed, assuring £12,100, and yielding, in annual premiums, £345 18s. The average rate of premiums completed in the year is only £2 15s. 11d. per cent., and the income arising from new business is almost entirely composed of annual premiums. The average amount of each policy is about £850.

The total number of Policies in existence, on the 31st December, 1849, was 542; assuring £515,254, and yielding an income of £14,959 3s. 3d.

No deaths from cholera occurred in the year. Only two claims from death were made, one for £4,000 (£1,000 of which has been reassured) and the other for £1,000.

The number of reassurances now existing is 53, covering an aggregate risk of £79,442 11s. 6d.

The dividends on stock, and the interest on mortgages received during the year, after deducting an estimated sum towards recouping £5,000 invested in Long Annuities, and £200 laid out in the purchase of a Life Interest, amount to £2,547 15s. 4d. The interest paid during the year to the proprietors is £1,204 17s. 11d., leaving a balance of £1,342 17s. 5d. The balance sheet shows the property of the Society to amount to £74,958 10s. 7d., that is, £27,353 10s. 7d. over and above the sum of £47,605, received for deposits on shares—the surplus capital thus exceeding that of the year 1848 by £10,814 8s. 2d.

The amount of Premiums received in each of the five years from the formation of the Society, was as follows:

Premiums Received.			
	£	s.	d.
In 1845 . . . . .	3,145	14	6
1846 . . . . .	6,579	8	3
1847 . . . . .	9,837	1	8
1848 . . . . .	12,221	8	11
1849 . . . . .	15,117	15	1

During the same time the total amount paid and admitted for claims from death is only £4,800, consisting of the £4,000 (reduced to £3,000 as above mentioned), and £1,800 paid in 1848, whilst the amount received in respect of Policies dropped and surrendered, after deducting the consideration paid for the surrendered, is £4,395 10s. 3d.

*Equity and Law Life Assurance Society.*—Extraordinary General Meeting, held 6th August, 1850, for declaring profits up to 31st December, 1849.—The Report of the Directors states the results of the operations of the Society, for the quinquennial period up to 31st December, 1849. In accordance with the provisions of the Deed of Settlement, the surplus has been apportioned in the proportion of one-fifth to the proprietors, and four-fifths to the assured entitled to participate in the profits. An addition of 9s. 2d. will be made to each share, and the dividend payable thereon during the current period of five years, will be at the rate of 4s. 6d. per share, being  $4\frac{1}{2}$  per cent. per annum (clear of income tax) on the amount of the deposits. Interest at the rate of 3 per cent. per annum has been paid to the proprietors from the commencement; with this interest, and its accumulations, the addition above mentioned is equivalent to a present increase of £1 7s. per share.

The addition to each participating Policy may be received by its holder either by way of reversionary bonus, to be added to the sum assured, or by immediate cash payment, or by a reduction of future premiums for the next five years. The average addition will be fully 50 per cent. on the amount of premiums paid to each Policy on the participating scale, and every Policy which had been in existence for even one year, benefits proportionally in the division. The reversionary bonus will be equivalent in general to a return on each Policy in ready money of one-fourth of the premiums paid, and for Policies which have been in force during the whole of the quinquennial period.



nial period expired, to a reduction of 30 per cent. on the premiums payable during the current quinquennial period.

The effect of the mode of calculation adopted by the Actuary in the valuation is, that every Assurance, so long as it continues in force, may be expected to contribute equally to the total amount of profits to be declared at each successive division.

While the sum of £57,000 has been received in premiums, and Assurances have been effected to the amount of nearly £700,000, the whole sum paid in claims is £5,900, reduced to £4,900, by a re-assurance effected in another office.

The present income of the Society is nearly £20,000 per annum, and the whole of its funds is invested in Government securities, or unexceptionable mortgages.

A Resolution was submitted to the meeting, empowering the directors to pay a current bonus of £1 per cent. per annum on the amount assured, to each Policy (according to the term on which it is entitled to participate) which may fall in by death, previous to the next period of division.

*Gresham Life Assurance Society.*—First Annual Meeting, October, 1849.—The Directors in the Report, after stating that no claim by death had occurred amongst 419 assured, give the following

Statement of business transacted during the year :—

Gross sum assured by 419 Policies, being the number

issued to July 31st . . . . .	£149,160	0	0
“ “ producing an annual income of . . . . .	5,615	11	8

Total statement of business submitted or transacted during the year :—

	No.	Amount.
Proposals accepted (each Policy averaging £356) . . . . .	419	£149,160
“ incomplete and under consideration . . . . .	229	91,452
“ declined . . . . .	284	99,112

Total proposals made to the Society for Assurance	932	£339,724
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The following statement shows the number of First Class Lives assured relatively to those on which an increased premium is payable.

Policies issued at ordinary rates, the proposals being on First

Class Lives . . . . .	237
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Policies issued at increased rates, the Assurances being on Lives

supposed to be somewhat below the average . . . . .	182
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Total . . . . .	419
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In explanation of the large number of Assurances declined, the Directors state that the Society does not undertake the assurance of lives in a state of positive disease, nor even of those in which a strong indication is given of a tendency thereto, but it seeks the Assurance of those Lives which appear after a searching examination to have been declined on insufficient grounds.

The nominal capital of the Society is £100,000, divided into 5000 shares of £20 each; of these 2,548 shares have been allotted, and £6,158 10s. paid, which shows an average of £2 8s. 6d. per share. A reservation is made in the Society's Deed of Settlement; that is, the

power of converting the Society into one on the purely mutual principle, whenever the members shall deem such a measure wise and prudent.

The first year's receipts for premiums alone have been more than sufficient to pay the whole expenses of formation and charge of management, besides leaving a considerable surplus. By the provisions of the Deed of Settlement, the preliminary expenditure may be distributed over a period of 7 years, and in this view, £2291 13s. 6d. from premiums received would remain to meet any claims which might arise after having charged the first year's premiums with its proportion. About 200 agencies have been established throughout the kingdom.

Statement of business transacted during the two months of August and September, 1849:—

	No.
Proposals accepted and upon which the premiums have been paid, (each policy averaging £432 15s.) . . . . .	87
Making the total number of policies effected to this date . . . . .	504
producing an annual income of £7,140 4s. 2d.	

The Chairman, in further explanation, stated, that the preliminary and working expense of the Company amounted to £4,541 14s. 8d., whilst the premiums realised during the first year amount to £4,837 4s. 7d.

The sum of 30 guineas was voted to the four Auditors.

In the course of the discussion, an agent informed the Meeting that he had been engaged as Assurance Agent for 15 years, and during that time he had received 500 proposals, the premiums upon which would amount to £4000 or £5000 per annum, and out of that number 44 had been declined, proposing to assure an aggregate sum of £21,000; and another agent stated, that, in proposing Assurances to the amount of a quarter of a million, he had had £100,000 declined.

With regard to the shares, the Chairman stated, that they were willing to entertain applications for shares to a limited extent, but, in preference to offering them at premiums, they intended to require that a proposal for assurance should accompany each application for shares, from and after the present date. In reply to an enquiry as to the amount invested, it was answered that the sum invested up to the 11th October inst., was £15,051 8s., of which £2,629 16s. had been repaid, and consequently there was available for claims on Policies £12,421 12s., besides the premiums on new Assurances effected.

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## INSTITUTE OF ACTUARIES.

*Proceedings of the Institute of Actuaries of Great Britain and Ireland.*

First Session, 1848-9. First Sessional Meeting, held at the Guardian Assurance Office, Monday, 29th January, 1849.

The President (John Finlaison, Esq.) in the Chair.

The President delivered a brief inaugural address to the Members of the Institute, and announced that rooms would shortly be opened for the use of the Institute.